



DAVID SANDERS, Ph.D.  
Director

**County of Los Angeles**  
**DEPARTMENT OF CHILDREN AND FAMILY SERVICES**  
425 Shatto Place, Los Angeles, California 90020  
(213) 351-5602

November 29, 2005

Board of Supervisors  
GLORIA MOLINA  
First District  
YVONNE B. BURKE  
Second District  
ZEV YAROSLAVSKY  
Third District  
DON KNABE  
Fourth District  
MICHAEL D. ANTONOVICH  
Fifth District

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**REQUEST TO APPROVE AMENDMENT NUMBER THREE TO AGREEMENT  
NUMBER 73750 WITH PACIFIC TOXICOLOGY LABORATORIES, INC. TO  
INCREASE CONTRACT SUM  
(ALL SUPERVISORIAL DISTRICTS) (3 VOTES)**

**IT IS RECOMMENDED THAT YOUR BOARD:**

1. Find that services provided under the amended Agreement continue to be more economically performed by the Contractor than by County employees.
2. Approve and instruct the Chair to sign Amendment Number Three (Attachment A) to Agreement Number 73750 for Urine Sample Collection/Drug and Alcohol Testing Services with Pacific Toxicology Laboratories Inc., to increase the Maximum Contract Sum by \$100,000, from \$400,000 to \$500,000, effective the date of Board approval through December 31, 2005 to fund an increased level of services to be provided effective the date of execution of this amendment through December 31, 2005. The services increase is financed using 100% net County cost (NCC). The funding is included in Provisional Financing Uses (PFU) and will be transferred to the Department of Children and Family Services' (DCFS) Administration budget. There is no impact on NCC in the County's overall FY 2005-06 Adopted budget.
3. Approve the attached Request for Appropriation Adjustment (Attachment B) to transfer \$100,000 appropriation and net County cost (NCC) from PFU to DCFS' Administration Budget to finance the cost of the increased level of services provided by Pacific Toxicology Laboratories.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS**

The recommended actions will increase the level of urine sample collection and drug/alcohol test services available to DCFS. This will enable the department to accommodate the increased number of parents/caregivers of children under DCFS' supervision who are required by either the Court or the CSWs to undergo drug/alcohol testing. It will further accommodate an increase in the frequency with which Court ordered parents/caregivers are now required to test.

These services provide DCFS with a tool to assist with determining whether or not children are safe in the home of their parents or caregivers or can be safely returned to their parents or caregivers when either in the past or present, substance abuse has been an identified factor in the child abuse or neglect allegations. Drug and alcohol testing services result in a reduction in the number of children requiring placement in out-of-home care and assist in the timely reunification of families. This is consistent with DCFS' goals to improve safety, improve permanence and reduce reliance on detention.

If the recommended actions are not approved, drug/alcohol testing services will not be available. The safety of children in the home of their parents and caregivers with a history of drug/alcohol abuse, and efforts to return children to their homes quickly will be compromised.

### **Implementation of Strategic Plan Goals**

The recommended actions are consistent with the principles of the Countywide Strategic Plan Goal 5, Children and Families' Well-Being by ensuring the safety of children in the home of their parents/caregivers.

## **FISCAL IMPACT/FINANCING**

The \$100,000 increase in the Maximum Contract Sum effective the date of Board approval through December 31, 2005 is financed using 100% NCC. Drug/alcohol sample collection and testing services are eligible for enhanced funding which requires only 7.5% County match. However, since that funding is capped and the amount allocated by the State for FY 2005-06 has been fully utilized, the cost of this amendment is 100% NCC. \$7.9 million is set aside in the FY 2005-06 PFU to fund a variety of one-time costs for DCFS. \$100,000 of that \$7.9 million will be transferred to the DCFS Administration budget to finance the one-time cost increase for the drug/alcohol sample

collection and testing services contract. The attached Request for Appropriation Adjustment will transfer \$100,000 from PFU to the DCFS budget.

There is no impact on NCC in the County's overall FY 2005-06 Adopted budget.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The current Proposition A Agreement Number 73750 with Pacific Toxicology Laboratories, Inc., was approved by the Board on December 18, 2001 for the period from January 1, 2002 through December 31, 2004.

Amendment Number One, approved by your Board on December 14, 2004, extended the contract for six months from January 1, 2005 through June 30, 2005 to allow the department time to conduct a new solicitation process. Amendment One also reduced the Maximum Annual Contract Sum for the period from January 1, 2004 through December 31, 2004 from \$1,575,000 to \$1,175,000 in anticipation of a reduction in the need for drug and alcohol testing services.

Amendment Number Two, approved by your Board on June 7, 2005, increased the Maximum Contract Sum by \$75,000 for the period of January 1, 2005 through June 30, 2005 from \$400,000 to \$475,000 and extended the Contract six months, from July 1, 2005 through December 31, 2005, at a cost of \$400,000.

For the period of July 1, 2005 through December 31, 2005, DCFS anticipated a reduced need for drug and alcohol testing services which did not materialize. From June 2005 to August 2005, the number of clients required to test increased by 14% from 2,333 to 2,654. Furthermore, the Juvenile Court has increasingly been ordering clients to drug test on a weekly basis rather than the anticipated two times per month. As a result, the average monthly invoice is \$79,000. Therefore, Amendment Number Three will increase the Maximum Contract Sum from \$400,000 to \$500,000 for services to be provided effective the date of execution of this amendment through December 31, 2005 and will provide funding for the anticipated drug testing need in December 2005.

The Department has evaluated and determined that the Contractor continues to be a responsible contractor. The Agreement with Pacific Toxicology Laboratories, Inc. expressly provides that the County has no obligation to pay for expenditures beyond the contract amount. Further, Pacific Toxicology Laboratories, Inc. will not be asked to perform services that exceed the contract amount, scope of work, or contract dates.

The Honorable Board of Supervisors  
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Pacific Toxicology Laboratories, Inc. is in compliance with all Board and Chief Administrative Office (CAO) requirements.

The CAO and County Counsel have reviewed this Board Letter. Amendment Number Three has been approved as to form by County Counsel.

### **CONTRACTING PROCESS**

No additional contracting process was required for this amendment.

Contractor continues to fully comply with the requirements of the Living Wage Program (County Code Chapter 2.201).

### **IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The recommended actions will continue to provide access to drug and alcohol monitoring of parents and primary caregivers that is necessary in keeping families together. DCFS has also concluded that this amendment will not result in reduction of County services.

### **CONCLUSION**

Upon approval and execution of Amendment Number Three, instruct the Executive Officer/Clerk of the Board to send an executed copy of the adopted Board Letter and Amendment to:

1. Department of Children and Family Services  
Contracts Administration  
Attention: Walter Chan, Manager  
425 Shatto Place, Room 400  
Los Angeles, CA 90020
  
2. Office of the County Counsel,  
Social Services Division  
Attention: David Beaudet, Deputy County Counsel  
201 Centre Plaza Drive, Suite One  
Monterey Park, CA 91754

The Honorable Board of Supervisors  
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3. Pacific Toxicology Laboratories, Inc.  
Attention: Thomas Kosco, Chief Executive Officer  
9348 De Soto Avenue  
Chatsworth, CA 91311

Respectfully submitted,

DAVID SANDERS, Ph.D.  
DIRECTOR

DS:WC  
SN:HP:hp

Attachments (2)

c: Chief Administrative Officer  
County Counsel  
Auditor-Controller



**AMENDMENT NUMBER THREE**

**TO**

**AGREEMENT NUMBER 73750**

**WITH**

**PACIFIC TOXICOLOGY LABORATORIES, INC.**

**FOR**

**URINE SAMPLE COLLECTION/DRUG AND ALCOHOL TESTING  
SERVICES**

**November 2005**

**AMENDMENT NUMBER THREE  
TO AGREEMENT NUMBER 73750 WITH PACIFIC TOXICOLOGY LABORATORIES,  
INC. FOR URINE SAMPLE COLLECTION/ALCOHOL AND DRUG TESTING  
SERVICES**

This Amendment Number Three ("Amendment Number Three") to the Agreement Number 73750, adopted by the Board of Supervisors on December 18, 2001, is made and entered into by and between the County of Los Angeles, ("COUNTY"), and Pacific Toxicology Laboratories, Inc., ("CONTRACTOR"), for Urine Sample Collection/Alcohol and Drug Testing Services this \_\_\_\_\_ day of \_\_\_\_\_ 2005.

WHEREAS, the purpose of this Amendment Number Three is to increase the Maximum Annual Contract Sum for the period from July 1, 2005 through December 31, 2005, to compensate CONTRACTOR for the administration of additional Urine Sample Collection/Alcohol and Drug Testing Services; and

WHEREAS, this Amendment Number Three is prepared according to the provisions set forth in Section 13.0, **CHANGES AND AMENDMENTS**, Subsection 13.2 of the Agreement;

NOW THEREFORE, COUNTY and CONTRACTOR hereby agree to amend the Agreement as follows:

1. Section 1.0, **APPLICABLE DOCUMENTS**, subsections 1.2 and 1.3 are amended to read as follows:

1.2 Exhibits A, B, B-1, B-2, B-3, B-3A, B-4, B-4A, C, D, E, F, G, H, I, J, K, L, M and N, set forth below are attached to and incorporated by reference in this Agreement.

1.3 In the event of any conflict in the definition or interpretation of any word, responsibility, service, schedule, or contents of a deliverable product between this Agreement and Exhibits, or among Exhibits, said conflict or inconsistency shall be resolved by giving precedence first to the Agreement, and then to the Exhibits according to the following priority:

Exhibit A	-Statement of Work
Exhibit B	-Pricing Schedule
Exhibit B-1	-Budget
Exhibit B-2	-Budget for the Period January 1, 2004 through December 31, 2004
Exhibit B-3	-Budget for the Period January 1, 2005 through June 30, 2005
Exhibit B-3A	-Amended Budget for the Period January 1, 2005 through June 30, 2005

Exhibit B-4	-Budget for the Period July 1, 2005 through December 31, 2005
Exhibit B-4A	-Amended Budget for the Period July 1, 2005 through December 31, 2005
Exhibit C	-Job and Performance Requirement Summary
Exhibit D	-Certification of Independent Price Determination
Exhibit E	-Contractor's Equal Employment Opportunity (EEO) Certification
Exhibit F	-Community Business Enterprise Form (CBE)
Exhibit G	-Employee Acknowledgement and Confidentiality Agreement
Exhibit H	-Auditor-Controller Agreement Accounting and Operating Handbook
Exhibit I	-Child Support Compliance Certification
Exhibit J	-Living Wage Certification
Exhibit K	-Living Wage Program Ordinance
Exhibit L	-Notice to Employees About Earned Income Credit
Exhibit M	-Safely Surrendered Baby Law Fact Sheet
Exhibit N	-Los Angeles County Code 2.203 (Jury Service Program)

2. Section 4.0, **CONTRACT SUM**, is amended in its entirety to read as follows:

4.1 COUNTY and CONTRACTOR agree that this is a firm-fixed price contract. During the term of this Agreement, COUNTY shall compensate CONTRACTOR for the services set forth in Exhibit A, Statement of Work, and at the rate of compensation set forth in Exhibit B, Pricing Schedule.

4.2 The total amount payable under this Agreement is Five Million Three Hundred Thousand Dollars (\$5,300,000), Maximum Contract Sum. The maximum amount payable under this Agreement for each of the Contract years shall not exceed the following limits:

4.2.1 One Million Five Hundred Seventy Five Thousand dollars (\$1,575,000), Maximum Annual Contract Sum for January 1, 2002 through December 31, 2002;

4.2.2 One Million Five Hundred Seventy Five Thousand dollars (\$1,575,000), Maximum Annual Contract Sum, for January 1, 2003 through December 31, 2003;

4.2.3 One Million One Hundred Seventy Five Thousand dollars (\$1,175,000), Maximum Annual Contract Sum, for January 1, 2004 through December 31, 2004;

4.2.4 Four Hundred Seventy Five Thousand dollars (\$475,000), Maximum Six-Month Contract Sum, for January 1, 2005 through June 30, 2005; and



- 4.2.5 Five Hundred Thousand dollars (\$500,000), Maximum Six-Month Contract Sum, for July 1, 2005 through December 31, 2005.
- 4.3 The Maximum Contract Sum shall not exceed \$5,300,000 for the period from January 1, 2002 through December 31, 2005.
- 4.4 CONTRACTOR has prepared and submitted to COUNTY a budget segregating direct and indirect costs and profit for the work to be performed by CONTRACTOR under this Agreement. Budgeted expenses shall be reduced by applicable CONTRACTOR revenues, which are identified thereon. The line items shall provide sufficient detail to determine the quality and quantity of services to be delivered. This budget is attached hereto and incorporated by reference herein as Exhibit B-1, Budget; Exhibit B-2, Budget for the Period January 1, 2004 through December 31, 2004, Exhibit B-3, Budget for the Period January 1, 2005 through June 30, 2005, Exhibit B-3A, Amended Budget for the Period January 1, 2005 through June 30, 2005, Exhibit B-4, Budget for the Period July 1, 2005 through December 31, 2005, and Exhibit B-4A, Amended Budget for the Period July 1, 2005 through December 31, 2005. CONTRACTOR represents and warrants that the budgets are true and correct in all respects, and services shall be delivered hereunder in accordance with the Budget. In the event the Maximum Contract Sum is increased pursuant to Section 4.0 hereof, CONTRACTOR shall prepare and submit an amended Budget.
- 4.5 COUNTY has no obligation to pay for expenditures by CONTRACTOR that exceed the Maximum Contract Sum.

ALL OTHER TERMS AND CONDITIONS OF THIS CONTRACT, AS PREVIOUSLY AMENDED, SHALL REMAIN IN FULL FORCE AND EFFECT.

**AMENDMENT NUMBER THREE  
TO AGREEMENT NUMBER 73750 WITH PACIFIC TOXICOLOGY LABORATORIES,  
INC. FOR URINE SAMPLE COLLECTION/ALCOHOL AND DRUG TESTING  
SERVICES**

IN WITNESS WHEREOF, the Board of Supervisors of the COUNTY of Los Angeles has caused this Amendment to be subscribed by its Chair and the seal of such Board to be hereto affixed and attested by the Executive Office thereof, and CONTRACTOR has caused this Amendment to be subscribed in its behalf by its duly authorized officer(s) as of the day, month and year first above written. The person(s) signing on behalf of the CONTRACTOR warrants under penalty of perjury that he or she is authorized to bind the CONTRACTOR.

COUNTY OF LOS ANGELES

By \_\_\_\_\_  
Chair, Board of Supervisors

ATTEST:

VIOLET VARONA-LUKENS  
Executive Officer-Clerk of the  
Los Angeles County  
Board of Supervisors

PACIFIC TOXICOLOGY  
LABORATORIES, INC.  
CONTRACTOR

By \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

By \_\_\_\_\_

Name \_\_\_\_\_

Title \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
95-3926170  
Tax Identification Number

BY THE OFFICE OF COUNTY COUNSEL  
RAYMOND G. FORTNER, Jr.  
COUNTY COUNSEL

BY \_\_\_\_\_  
Deputy County Counsel

**LOS ANGELES COUNTY  
DEPARTMENT OF CHILDREN AND FAMILY SERVICES  
AMENDED CONTRACT BUDGET**

CONTRACTOR: PACIFIC TOXICOLOGY LABORATORIES  
 CONTRACT NAME: DRUG AND ALCOHOL TESTING SERVICES  
 CONTRACT PERIOD: JULY 1, 2005 THROUGH DECEMBER 31, 2005  
 CONTACT PERSON: THOMAS KOSCO  
 TELEPHONE NUMBER: (818) 598-3110 x405

**Personnel Costs**

<b>Position</b>	<b>% of Time</b>	<b>Salary &amp; Benefits</b>	<b>07/01/05 12/31/05</b>
Accessioners (3.75)	65%	56,844	46,215
Access. Superv.	25%	6,780	5,513
Data Entry Clerk	100%	14,074	11,442
Client Service Rep (lead)	100%	16,635	13,524
Client Service Rep	100%	12,790	10,398
Analyst	75%	14,391	11,700
Med. Technologist	95%	25,520	20,748
Analyst Confirm	50%	9,594	7,800
Supply Clerk	20%	4,856	3,948
Controller	5%	1,887	1,534
Billing Coordinator	10%	2,111	1,716
IT	5%	1,087	884
<b>Total</b>		<b>166,568</b>	<b>135,421</b>

**Direct Operating Costs**

Facilities Costs--	
Lab reagents, supplies and confirmation costs	70,000
Telecommunications	4,080
Consumable Supplies--	
Collection Kits	3,400
Requisitions	5,900
Printer ribbons	1,020
<b>Total</b>	<b>84,400</b>

**Indirect Operating Costs**

Insurance	3,000
Overhead (Rent, accounting, utilities, senior mang. etc.)	24,000
Transport (samples)	36,000
Collection Site Fees	165,000
<b>Total</b>	<b>228,000</b>

Total: Personnel Cost + Direct + Indirect Operating Costs **\$ 478,968**

**Profit** **\$ 21,032**

**Total Contract Cost** **\$ 500,000**

## **Attachment B**

COUNTY OF LOS ANGELES

REQUEST FOR APPROPRIATION ADJUSTMENT

DEPT'S. No. 350

DEPARTMENT OF CHILDREN AND FAMILY SERVICES

19

## AUDITOR-CONTROLLER.

THE FOLLOWING APPROPRIATION ADJUSTMENT IS DEEMED NECESSARY BY THIS DEPARTMENT. WILL YOU PLEASE REPORT AS TO ACCOUNTING AND AVAILABLE BALANCES AND FORWARD TO THE CHIEF ADMINISTRATIVE OFFICER FOR HIS RECOMMENDATION OR ACTION.

## ADJUSTMENT REQUESTED AND REASONS THEREFOR

3-VOTES

SOURCES

PROVISIONAL FINANCING USES  
Services and Supplies  
A01-BS-13759-2000  
\$100,000

USES

DEPARTMENT OF CHILDREN & FAMILY SERVICES  
Services and Supplies  
A01-CH-26200-2000  
\$100,000

## JUSTIFICATION:

This appropriation adjustment is requested to transfer funds from Provisional Financing Uses to Department of Children and Family Services (DCFS) Administration budget to cover the increased cost of the Urine Sample Collection/Drug and Alcohol Test services provided by Pacific Toxicology Laboratories, Inc. These services are provided to the parents/caregivers to ensure the safety of the children served by DCFS. There is no impact on NCC.



David Sanders, Ph.D., Director

CHIEF ADMINISTRATIVE OFFICER'S REPORT

REFERRED TO THE CHIEF  
ADMINISTRATIVE OFFICER FOR—

ACTION

APPROVED AS REQUESTED

AS REVISED

RECOMMENDATION

November 16 2005  
19

CHIEF ADMINISTRATIVE OFFICER

AUDITOR-CONTROLLER

BY

APPROVED (AS REVISED):  
BOARD OF SUPERVISORS

19

No. 187

NOV. 16 2005  
19

BY

DEPUTY COUNTY CLERK

SEND 6 COPIES TO THE AUDITOR-CONTROLLER